

**70C-6-106 Refund or credit required -- Amount.**

- (1) A debtor or his estate is entitled to any rebate or refund due from an insurer and to any unearned part of a separate charge for insurance previously paid by the debtor, resulting from the prepayment of a consumer credit debt, except when all refunds and credits due to the debtor under this title amount to less than \$5.
- (2) A creditor shall promptly make or cause to be made an appropriate refund or credit to the debtor with respect to any separate charge made to him for insurance if:
  - (a) the insurance is not provided or is provided for a shorter term than that for which the charge to a debtor for insurance was computed; or
  - (b) the insurance terminates prior to the end of the term for which it was written because of prepayment in full or otherwise.
- (3) All refunds or credit required by this section shall be computed according to a method prescribed or approved by the Insurance Department or formula filed by the insurer with the Insurance Department at least 30 days before any debtor's right to a refund or credit becomes determinable, unless the method or formula is employed after the Insurance Department notifies the insurer that the method or formula has been disapproved.
- (4) Except as provided in Subsection (1), a creditor is not obligated to account to a debtor for any portion of a separate charge for insurance when:
  - (a) the insurance is terminated by performance of the insurer's obligation;
  - (b) the creditor pays or accounts for premiums to the insurer in amounts and at times determined by the agreement between them; or
  - (c) the creditor receives directly or indirectly under any policy of insurance a gain or advantage not prohibited by law.

Enacted by Chapter 159, 1985 General Session